

## Message Text

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PAGE 01 MAPUTO 01451 030101Z

ACTION XMB-04

INFO OCT-01 AF-10 ISO-00 EB-08 COME-00 CIAE-00 INR-07

NSAE-00 /030 W

-----039872 030124Z /63

R 011512Z DEC 77

FM AMEMBASSY MAPUTO

TO SECSTATE WASHDC 6481

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E.O. 11652: N/A

TAGS: EFIN, MZ, XMB

SUBJECT: MOZAMBIQUE--ECONOMIC TRENDS AND CREDIT WORTHINESS

REF: STATE 270881

1. EMBASSY REGRETS THAT MUCH OF THE INFORMATION REQUIRED BY EXPORT-IMPORT BANK REMAINS UNAVAILABLE. FOLLOWING FORMAT IN REFTEL HERE IS LATEST INFORMATION EMBASSY HAS BEEN ABLE TO FIND. ALL REVISED FIGURES ARE ESTIMATES.

2.

(A) EXPORTS--DLRS 154 MILLION (1977)

(B) IMPORTS-- DLRS 489 MILLION (1977)

(C) FOREIGN EXCHANGE RESERVES-- DLRS 124 MILLION (EARLY 1977)

(D) EXTERNAL DEBT--NO INFORMATION

(E) WORKER REMITTANCES--DLRS 100 MILLION (1977)

(F) EARNINGS FROM TRANSIT TRAFFIC-DLRS 80 MILLION IS STILL A GOOD GUESS

3.

(A) EXPORT AND IMPORT TRENDS--BOTH ARE RISING, IMPORTS FASTER THAN EXPORTS. INCREASED AGRICULTURAL PRODUCTION MAY IMPROVE SITUATION IN 1978, BUT CONTINUED DEFICIT IS LIMITED OFFICIAL USE

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PAGE 02 MAPUTO 01451 030101Z

CERTAIN.

(B) SOUTH AFRICAN REVALUATION OF WORKER REMITTANCES. EXPIRING AGREEMENT HAS BEEN EXTENDED THROUGH DECEMBER 31, 1977. SA AND GPRM OFFICIALS WILL MEET IN DECEMBER TO CONSIDER THE MATTER AGAIN. SA CHAMBER OF MINES WOULD LIKE TO END ARRANGEMENT FAVORABLE TO MOZAMBIQUE, BUT SPECULATION IS THAT SOME COMPROMISE MAY BE REACHED.

NUMBER OF MINERS HAS LEVELLED OFF AT 35,000-40,000.

(C) MATURITY STRUCTURE OF EXTERNAL DEBT--INFORMATION ON EXTERNAL DEBT IS ONE OF THE MOST CLOSELY HELD GOVERNMENT SECRETS. EMBASSY HAS BEEN UNSUCCESSFUL IN OBTAINING RELIABLE INFORMATION.

(D) ARREARAGES--DITTO

(E) BILATERAL PAYMENT AGREEMENTS--MOST AGREEMENTS INCLUDE REPAYMENT MORATORIUM ON LOW INTEREST SOFT LOANS. SOME ARE CONNECTED TO PURCHASE OF SPECIFIC GOODS.

(F) FOREIGN AID BY YEAR, SOURCE-AID AGREEMENTS WITH COMMUNIST COUNTRIES ARE NOT AVAILABLE. 1977-78 AID FROM WESTERN NATIONS AND INTERNATIONAL BODIES IS APPROXIMATELY \$119 MILLION GIVEN OR PLEDGED ACCORDING TO UN REPORT IN JUNE, 1977, LARGEST AMOUNTS ARE \$26 MILLION AND \$17 MILLION SOFT LOANS FROM ARAB FUND FOR AFRICA AND THE U.K. RESPECTIVELY. SWEDEN HAS JUST ANNOUNCED \$40 MILLION DEVELOPMENT GRANT AID FOR 1977-78, IN ADDITION TO \$11 MILLION ALREADY GIVEN 1977.

(G) AMOUNT OF ESCUDO DENOMINATED DEBT--SEE 3 (C)

(H) PLANS FOR GAS, OIL AND MINERAL DEPOSIT--GOVERNMENT IS INTERESTED IN PROMPT EXPLORATION AND EXPLOITATION, BUT STUDIES OF POTENTIAL ARE ONLY IN PRELIMINARY STAGES. GPRM WOULD LIKE AMERICAN FIRMS TO ENTER JOINT VENTURES FOR MINING. OIL, AS MINISTER OF INDUSTRY AND COMMERCE STATED IN NEW YORK AND WASHINGTON IN OCTOBER.

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PAGE 03 MAPUTO 01451 030101Z

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## Message Attributes

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